

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

AUG 11 2014

PUBLIC SERVICE
COMMISSION

In the Matter of:

MR. BILL'S GROCERY)
)
 Complainant)
)
 -v-)
)
 JACKSON ENERGY COOPERATIVE)
 CORPORATION)
)
 Defendant)

Case No.
2014-00194

**RESPONSE OF JACKSON ENERGY COOPERATIVE
CORPORATION TO COMMISSION STAFF'S FIRST
REQUEST FOR INFORMATION**

Comes now the Defendant, Jackson Energy Cooperative Corporation, by and through the undersigned counsel, and for its Responses to the Commission Staff's First Request for Information dated August 1, 2014, states as follows:

- 1. Provide a copy of all correspondence Jackson Energy had with Mr. Bill's Grocery discussing the under-billing which is the issue of the pending complaint.**

Response: Mr. Bill's Grocery was first notified of the under-billing by letter dated August 21, 2013 (Exhibit 1). Upon receipt of that letter, Mr. Bill Flannery, the owner of Mr. Bill's Grocery, contacted Larry Lakes, Vice President of Consumer Services for Jackson Energy, by telephone. During that call, Mr. Lakes supplied further information to Mr. Flannery about how the amount of the under-billing was calculated. Mr. Flannery was invited for a meeting at his place of business or at Jackson Energy's District Office in McKee, Kentucky, which was declined by Mr. Flannery.

On September 30, 2013, Jackson Energy received a letter from Attorney Raleigh Shepherd, who stated that he represented Mr. Bill's Grocery with respect to this dispute. (Exhibit 2). In that letter, Mr. Shepherd requested on behalf of his client an explanation of how the under-billed amount of \$4,779.94 was calculated, when and how the defective current transformer was discovered, and the results of any tests of the current transformer.

On October 17, 2013, counsel for Jackson Energy wrote to Mr. Shepherd with a detailed answer to all of his questions. (Exhibit 3).

Having received no response to the correspondence of October 17, 2013, on November 13, 2013, Mr. Lakes again wrote to Mr. Flannery seeking payment for the under-billed amount and noting that no payment had been made by Mr. Flannery on that amount despite the fact that the sum of \$199.16 had been added to each of his prior bills. (Exhibit 4).

Again, having received no response, Mr. Lakes wrote to Mr. Flannery on December 4, 2013 noting that no payments had been made by Mr. Bill's Grocery and that if payment was not received electrical service to the store would be disconnected on December 16, 2013. (Exhibit 5).

On December 6, 2013, Jackson Energy received notice from the Commission of a consumer inquiry from Mr. Bill's Grocery concerning the under-billed amount. (Exhibit 6). The Commission requested that Jackson Energy provide five years of consumption history of Mr. Bill's Grocery, which was provided by email on December 11, 2013. (Exhibit 7). On December 17, 2013 Mr. Flannery contacted Mr. Lakes and stated that he would agree to repayment of the full amount of the under-billing over a term of 48 months, which would equal \$99.58 per month.

On that same day, Jackson Energy notified the Commission of this agreement by email. (Exhibit 8). Furthermore, on that same day, Mr. Lakes directed a letter to Mr. Flannery confirming the

oral agreement and enclosing a written agreement for signature by Mr. Flannery on behalf of Mr. Bill's Grocery. (Exhibit 9). Mr. Flannery never returned an executed copy of the agreement, however, Mr. Bill's Grocery has, since December 2013, been paying its current bills plus the sum of \$99.58 per month, such that its account is now current.

No further communication took place between the parties until a legal action was filed by Mr. Bill's Grocery in the Jackson Circuit Court on April 1, 2014. That action was dismissed upon motion of Jackson Energy Cooperative on May 7, 2014, on the grounds that jurisdiction over this action would be with the Kentucky Public Service Commission. Subsequently, Mr. Bill's Grocery filed the instant action.

Witness: Larry Lakes, Vice President of Consumer Services for Jackson Energy.

2. Refer to the August 21, 2013 letter from Jackson Energy to Bill Flannery that was attached to the complaint.

a. Provide, in Excel format, with all cells and formulas intact, the monthly calculations supporting the \$4,779.94 under-billing for electricity.

Response: See excel spreadsheet. (Exhibit 10). If the Commission so desires, an electronic copy of this spreadsheet may be obtained via email upon request to Jackson Energy's legal counsel.

Witness: Larry Lakes, Vice President of Consumer Services for Jackson Energy.

b. Explain how the \$199.16 monthly bill adjustment for the 24-month time period was calculated.

Response: The \$199.16 monthly bill adjustment was calculated by dividing the sum of \$4,779.94 by 24. This was done to allow Mr. Bill's Grocery 24 months to pay the under billed amount.

Witness: Larry Lakes, Vice President of Consumer Services for Jackson Energy.

3. Provide the testing history for the meter and the instrument transformers that previously served Mr. Bill's Grocery.

Response: Please see the attached test results dated May 21, 2009 (Exhibit 11) and June 28, 2013 (Exhibit 12).

Witness: Larry Lakes, Vice President of Consumer Services for Jackson Energy.

4. Provide the billing data for Mr. Bill's Grocery for the last 60 months.

Response: Please see the attached 60 month consumption history (Exhibit 13) and the 60 month billing history (Exhibit 14).

Witness: Larry Lakes, Vice President of Consumer Services for Jackson Energy.

5. Please provide the following:

a. the date when the current transformer was believed to have failed.

Response: The problem with the current transformer was discovered on June 28, 2013. Based on a review of consumption and billing history of Mr. Bill's Grocery, it is believed the current transformer failed between June 2010 and July 2010.

Witness: Larry Lakes, Vice President of Consumer Services for Jackson Energy.

b. the dates over which Jackson Energy calculated the average bill for Mr. Bill's Grocery.

Response: Jackson Energy calculated the under-billing for July 2011 through June 2013, since it is limited to a time period of two years for which it may seek recovery from a customer that has been under-billed.

Witness: Larry Lakes, Vice President of Consumer Services for Jackson Energy.

c. the date the new current transformer was installed.

Response: July 11, 2013.

Witness: Larry Lakes, Vice President of Consumer Services for Jackson Energy.

6. Refer to 807 KAR 5:006, Section 11. Bill Adjustment for Gas, Electric, or Water Utilities, Paragraph (5) titled Customer notification. State whether the company provided to the customer all of the information provided for in the regulation.

Response: Jackson Energy initially notes that the referenced regulation directly applies to meters which, upon testing, are found to be either slow or fast. This is a different situation than the present situation in which a wire to a current transformer was found to be severed. However, Jackson Energy believes that it substantially provided the information via the letters dated August 21, 2013 and October 17, 2013, which included the date on which the problem was discovered, the meter number as stated on the testing sheet supplied with the October 17 letter, the location of the meter and the sum which was being sought due to the under-billing.

Witness: Larry Lakes, Vice President of Consumer Services for Jackson Energy.

7. Refer to 807 KAR 5:006, Section 11, Bill Adjustment for Gas, Electric, or Water Utilities. Paragraph (6) states:

A customer account shall be considered to be current while a dispute is pending pursuant to this section, if the customer (a) Continues to make payments for the disputed period in accordance with historic usage, or if that data is not available, the average of similar loads; and (b) Stays current on subsequent bills.

Based on the referenced regulation, is it Jackson Energy's understanding that during the time period pending resolution, the customer is obligated to pay the disputed amount.

Response: Yes, that is Jackson Energy's understanding. In this particular situation, Jackson Energy, from August 2013 through December 2013, was trying to work with Mr. Bill's Grocery on an agreement for monthly payments for the under-billed amount. An agreement was eventually reached in December 2013 for the payments to be made over a 48 month period.

Witness: Larry Lakes, Vice President of Consumer Services for Jackson Energy.

8. What is the voltage of the service provided to Mr. Bill's Grocery?

Response: The voltage is 120/240 volts.

Witness: Larry Lakes, Vice President of Consumer Services for Jackson Energy.

9. Is the service provided to Mr. Bill's Grocery single phase or polyphase?

Response: The service is polyphase.

Witness: Larry Lakes, Vice President of Consumer Services for Jackson Energy.

Respectfully submitted by,



Clayton B. Oswald
Taylor, Keller & Oswald, PLLC
P.O. Box 3440
1306 W. 5th St., Suite 100
London, KY 40743-3440
(606) 878-8844
Fax: (606) 878-8850
E-mail: coswald@tkolegal.com
Counsel for Jackson Energy Cooperative

VERIFICATION

The undersigned, Larry Lakes, states under oath that he is the Vice President for Consumer Services for Jackson Energy Cooperative Corporation and that the information set forth in these Responses to the Commission's First Request for information are true and correct to the best of his knowledge and belief.


Larry Lakes

STATE OF KENTUCKY

COUNTY OF JACKSON

Subscribed and sworn to before me by Larry Lakes on this 7th day of August 2014.


Notary Public
My Comm. Expires: Aug 6 2016



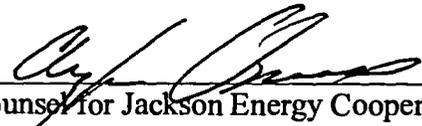
CERTIFICATE OF SERVICE

The undersigned counsel hereby certifies that a true and correct copy of these Responses were served in accordance with the Commission's Order on the following:

Mr. Jeff Derouen
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40603

Bill Meador, Esq.
Attorney at Law
P.O. Box 499
Hyden, KY 41749

DATED this the 8 day of August 2014.


Counselor for Jackson Energy Cooperative

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August 21, 2013

Billy Flannery
Mr. Bill's Gas and Grocery
PO Box 812
McKee, KY 40447

Subject: Defective metering installation

Mr. Flannery:

Last month a field test of the metering installation serving your business revealed a defective current transformer which has been subsequently replaced and your electric account has just billed using a full month of recorded kilowatt hours with the new current transformer (C.T.) in place. You will note a substantial increase in this August bill compared to previous months bills reflecting the fact of under billing of consumption at your business location dating back to June 2010. Unfortunately we are obligated by the Kentucky Public Service Commission to recover under billed kilowatt (kwh) consumption upon discovery. Such bill back is limited to 24 months while it appears that the C.T. has been defective for approximately 36 months. We have calculated the under billed kwh consumption to be 38% resulting in a total bill back amount of \$4,779.94 covering a period of 24 months.

We understand that this will no doubt add an unexpected financial obligation to your business operations and we will gladly work with you to arrive at a mutually acceptable repayment plan. Presently we have set-up the bill back to occur as an addition to your monthly electric bill in the amount of \$199.16 for a period of 24 months beginning with your regular September electric bill.

We sincerely regret this metering/billing error. I am sure you will want to discuss this issue in greater depth so do not hesitate to contact me at your convenience.

Respectfully,

 Larry Lakes
Vice President of Consumer Services

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RALEIGH P. SHEPHERD
ATTORNEY AT LAW

305 MAIN STREET
MANCHESTER, KENTUCKY 40962
TELEPHONE: (606) 599-0311
FAX: (606) 599-0344

September 30, 2013

Mr. Larry Lakes
Jackson Energy Cooperative
115 Jackson Energy Lane
McKee, Kentucky 40447

RE: Defective Metering Installation - Billy Flannery

Dear Mr. Lakes:

Please be advised that I have been retained to represent Mr. Billy Flannery d/b/a Bill's Gas and Grocery. Mr. Flannery was recently advised of a defective current transformer at his business and of his need to repay Jackson Energy \$4,779.94 in unpaid electricity usage.

Mr. Flannery is disputing this amount and requests the following information from Jackson Energy: (1) an explanation of how the \$4,779.94 was calculated; (2) when and how Jackson Energy knew the transformer was defective; and (3) the results of any tests performed on the subject transformer. Additionally, Mr. Flannery is requesting that he be allowed to have his own expert test the defective transformer, thus, he is requesting that his expert have access to the defective transformer.

Finally, Mr. Flannery is requesting that Jackson Energy immediately halt the bill back to his monthly electric bill until this matter is resolved.

Please direct any future correspondence to my attention. Should you have any questions or concerns, I can be reached at the numbers listed above.

Sincerely,

Raleigh P. Shepherd

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TAYLOR, KELLER & OSWALD, PLLC

Attorneys At Law

J. WARREN KELLER
CLAYTON O. OSWALD

BRADLEY S. HARN

BOYD F. TAYLOR
(1924 - 2012)

1306 WEST FIFTH STREET, STE. 100
P.O. Box 3440
LONDON, KY 40743-3440
PHONE: 606-878-8844
FACSIMILE: 606-878-8850

WRITERS E-MAIL: coswald@tkolegal.com

October 17, 2013

Raleigh P. Shepherd, Esq.
305 Main St.
Manchester, KY 40962

Re: Billy Flannery

Dear Mr. Shepherd:

My client, Jackson Energy Cooperative, has asked me to respond to your letter dated September 30, 2013 concerning the account of Mr. Bills Store which is owned by your client, Mr. Flannery. You asked several questions in your letter, each of which will be addressed in this letter.

First, you requested an explanation of how the final amount of \$4,779.94 was calculated to be the amount Mr. Flannery was under billed for the two year period immediately preceding July 11, 2013. This amount was calculated by using Mr. Flannery's past electricity usage. The problem with the CT was discovered and corrected in July 2013. Accordingly, beginning with August 2013, Mr. Flannery's electricity was being properly metered and billed. His usage for the month of August 2013 was 8320 kwh. This was compared to his usage during each of the months of August 2012, 2011 and 2010. That usage was 6520 kwh for 2010; 5720 kwh for 2011 and 5880 kwh for 2012. The average of those prior years is 6040 kwh. The usage for August 2013, 8320 kwh, was then divided by 6040, the average usage for the years in which the CT was defective. This resulted in a difference of 1.38. Then, the usage for each month from July 2011 through June 2013 was totaled, which equaled 106600 kwh. That total was multiplied by 1.38, resulting in a total of 147108 kwh. The difference in those two numbers is 40508 kwh, which is the usage that should have been billed, but was not due to the defective CT. The average rate for electricity was then determined by averaging the past 24 months of bills which equaled \$.118 per kwh, which is inclusive of other charges, such as the environmental surcharge. The difference of 40508 kwh was then multiplied by \$.118, which resulted in the final amount of \$4,779.94. I believe this is the fairest way to determine the usage that was not billed, and it is a method that is specifically sanctioned by the Kentucky Public Service Commission.

Second, Jackson Energy uses the services of a third party, Luthan Electric Meter Testing, to test metering installations like the one in use at your client's store. Upon inspection by

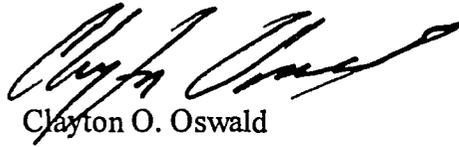
Luthan, it was discovered that the control wire to one of the two CTs at this installation had been severed, causing the meter to not accurately measure and report the electrical usage at Mr. Flannery's store.

Third, I attach to this letter a copy of the report prepared by Luthan Electric Meter Testing reflecting this finding.

Finally, you have requested access to the defective transformer. However, as noted above, the transformer itself is not defective, rather a wire leading to the CT was severed and has now been corrected.

Please feel free to call me if you have any further questions or concerns regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Clayton O. Oswald", written in a cursive style.

Clayton O. Oswald

ELECTRIC METER TESTING

625 Birkhead Ave
Owensboro, KY 42303
270-683-2474

Jackson Energy Cooperative
115 Jackson Energy Lane
McKee, KY 40447

To Whom It May Concern,

The following is a summary of the metering error found during routine testing at Mr. Bill's Gas and Grocery. The meter number at this location is 9146005.

This site is a 4 wire delta overhead installation using 2 CTs and a form 5S meter. In this meter configuration, 1 CT is used to meter the current on the 2 lighting legs, with the phase to phase voltage (A & B) on the left element in the meter and the other CT is used to meter the current on the wild leg, with the phase to neutral voltage (C-N) on the right element in the meter. Since the voltage wire on B phase was broken, the meter was not getting voltage on the left element. Because of this condition the meter was not registering all the energy being delivered.

Sincerely,

Chuck Book
President

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JACKSON ENERGY COOPERATIVE

115 Jackson Energy Lane
McKee, Kentucky 40447
Telephone (606) 364-1000 • Fax (606) 364-1007

November 13, 2013

Billy Flannery
Mr. Bill's Gas & Grocery
PO Box 812
McKee, KY 40447

Subject: Unpaid Back Billed Charges
Account 2699304

Mr. Flannery:

On August 21, 2013, a letter was sent notifying you of a defective metering installation at your place of business which was caused by a severed control wire lead on a current transformer. This resulted in under billed kwh consumption dating back to June 2010. As stated previously, we are obligated to recover under billed revenue by the Kentucky Public Service Commission for a period not to exceed 24 months. The written notification to you in August identified an under billed amount of \$4,779.94 which has been set up to bill over a 24 month period going forward at a monthly amount of \$199.16. This back billing began with your September bill statement.

It should be noted that three consecutive monthly bills have been generated since the repair was affected on your location's metering installation. The aggregate kwh consumption the months of August, September, and October 2013 compared to the same months for the previous three years supports the estimation method used to arrive at the back billed charged amount.

Your payments since the back billing started have excluded this back billed amount and your account is now delinquent. We request that you bring your account to a current status by paying the balance of the back billed charges on the account. Failure to pay the back billed charges will leave us with no other option, but to disconnect service at your location.

You may contact the Kentucky Public Service Commission by phone at 1-800-772-4636, by email psc.consumer.inquiry@ky.gov, or mail PO Box 615, Frankfort, KY 40602-0615 to file a complaint with this agency or to contest this back billing.

As noted previously, I will be glad to discuss this matter with you at length at either our office or at your place of business. I hope you choose to resolve this issue in a timely fashion to avoid the consequences

of disrupted electric service to you business operations which certainly is not our preference for resolution to this unfortunate event.

Respectfully,

Larry Lakes
Larry Lakes







JACKSON ENERGY COOPERATIVE

115 Jackson Energy Lane
McKee, Kentucky 40447
Telephone (606) 364-1000 • Fax (606) 364-1007

December 4, 2013

Billy Flannery
Mr. Bill's Gas & Grocery
PO Box 812
McKee, KY 40447

Subject: Unpaid back billed Charges
Account 2699304

Mr. Flannery:

Your electric service account is delinquent due to your failure to acknowledge and pay back billed charges about which we have communicated to you since August 2013. The delinquent balance on your account is \$627.95 presently. If this amount is not paid or otherwise acknowledged for payment by a mutually acceptable payment arrangement, your electric service will be disconnected on December 16, 2013.

I extend to you yet another invitation to discuss at length the reason for the back billing and a full review of your account usage history.

Respectfully,

Larry Lakes
Vice President of Consumer Services



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Larry Lakes

From: Larry Lakes
Sent: Wednesday, December 11, 2013 4:04 PM
To: 'Rhody, Matt (PSC)'
Subject: FW: 2013-2698
Attachments: PSC 2013-02698 consumption hist.csv; Summary Mr bill's.docx

Here is a re-send of original message.

From: Larry Lakes
Sent: Friday, December 06, 2013 4:04 PM
To: 'Rhody, Matt (PSC)'
Subject: RE: 2013-2698

Please see the attached summary and five years of consumption history. Let me know if I can clarify this issue with any additional information. I will be out of the office until Tuesday December 10th.

From: Rhody, Matt (PSC) [mailto:Matt.Rhody@ky.gov]
Sent: Friday, December 06, 2013 11:15 AM
To: Larry Lakes
Subject: 2013-2698

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Billing Peric	Pres Rdg Dt	Days Use	Usage	Account	Meter #
13-Nov	11/16/2013	31	5,680	2699304	5097072
13-Oct	10/16/2013	30	6,680	2699304	5097072
13-Sep	9/16/2013	31	7,800	2699304	5097072
13-Aug	8/16/2013	31	8,320	2699304	5097072
13-Jul	7/16/2013	5	1,080	2699304	5097072
13-Jul	7/11/2013	25	3,920	2699304	9146005
13-Jun	6/16/2013	31	4,200	2699304	9146005
13-May	5/16/2013	30	3,520	2699304	9146005
13-Apr	4/16/2013	31	3,680	2699304	9146005
13-Mar	3/16/2013	28	3,640	2699304	9146005
13-Feb	2/16/2013	31	4,320	2699304	9146005
13-Jan	1/16/2013	31	4,240	2699304	9146005
12-Dec	12/16/2012	30	3,920	2699304	9146005
12-Nov	11/16/2012	31	3,920	2699304	9146005
12-Oct	10/16/2012	30	4,240	2699304	9146005
12-Sep	9/16/2012	31	5,480	2699304	9146005
12-Aug	8/16/2012	31	5,880	2699304	9146005
12-Jul	7/16/2012	30	5,760	2699304	9146005
12-Jun	6/16/2012	31	5,000	2699304	9146005
12-May	5/16/2012	30	4,360	2699304	9146005
12-Apr	4/16/2012	31	4,240	2699304	9146005
12-Mar	3/16/2012	29	3,600	2699304	9146005
12-Feb	2/16/2012	30	3,960	2699304	9146005
12-Jan	1/17/2012	32	4,400	2699304	9146005
11-Dec	12/16/2011	30	4,080	2699304	9146005
11-Nov	11/16/2011	31	3,840	2699304	9146005
11-Oct	10/16/2011	30	4,080	2699304	9146005
11-Sep	9/16/2011	31	5,200	2699304	9146005
11-Aug	8/16/2011	31	5,720	2699304	9146005
11-Jul	7/16/2011	30	5,320	2699304	9146005
11-Jun	6/16/2011	31	5,120	2699304	9146005
11-May	5/16/2011	30	4,360	2699304	9146005
11-Apr	4/16/2011	31	3,880	2699304	9146005
11-Mar	3/16/2011	28	3,280	2699304	9146005
11-Feb	2/16/2011	31	4,560	2699304	9146005
11-Jan	1/16/2011	31	5,200	2699304	9146005
10-Dec	12/16/2010	30	4,560	2699304	9146005
10-Nov	11/16/2010	31	4,080	2699304	9146005
10-Oct	10/16/2010	30	4,640	2699304	9146005
10-Sep	9/16/2010	31	5,680	2699304	9146005
10-Aug	8/16/2010	31	6,520	2699304	9146005
10-Jul	7/16/2010	30	6,280	2699304	9146005
10-Jun	6/16/2010	31	10,560	2699304	9146005
10-May	5/16/2010	30	9,040	2699304	9146005
10-Apr	4/16/2010	31	9,040	2699304	9146005
10-Mar	3/16/2010	28	9,960	2699304	9146005

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10-Feb	2/16/2010	31	11,840	2699304	9146005
10-Jan	1/16/2010	31	11,560	2699304	9146005
9-Dec	12/16/2009	30	9,120	2699304	9146005

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Larry Lakes

From: Larry Lakes
Sent: Tuesday, December 17, 2013 10:36 AM
To: 'Rhody, Matt (PSC)'
Subject: RE: 2013-2698

Mr. Flannery has acknowledged his obligation to pay back billed charges and a payment contract has been presented to him for his execution. Thanks for your assistance in this matter. We now assume this complaint to be closed.

From: Rhody, Matt (PSC) [mailto:Matt.Rhody@ky.gov]
Sent: Friday, December 06, 2013 11:15 AM
To: Larry Lakes
Subject: 2013-2698

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JACKSON ENERGY COOPERATIVE

115 Jackson Energy Lane
McKee, Kentucky 40447
Telephone (606) 364-1000 • Fax (606) 364-1007

December 17, 2013

Billy Flannery
dba Mr. Bill's Gas & Grocery
PO Box 812
McKee, KY 40447

Subject: Back billed charges
Account 2699304

Pursuant to our telephone discussion on December 16, 2013, I have enclosed a payment agreement for your consideration. The payment agreement acknowledges your intent to pay back billed charges in the aggregate amount of \$4,779.94 in monthly installments of \$99.58 which will be added to your electric bill as a separate line item over the next 48 bill statements. I have included two copies of the payment arrangements, one for your records, and one to be signed and dated and returned to my attention.

Previously billed back billed charges and associated late charges have been removed from your account leaving your account balance at zero on the date of this correspondence. All back billed charges will be recovered going forward from this date.

Also enclosed are spreadsheets reflecting your historical usage at this location and billed charges at this location to be used as an aid in helping budget your business operations going forward.

Please feel free to contact me if you have any other questions or concerns regarding this matter.

Respectfully,

Larry Lakes

Vice President of Consumer Services

CONTRACT FOR PAYMENT

Whereas, Billy Flannery ("Flannery") who maintains an ongoing business known as Mr. Bill's Gas & Grocery located at US Hwy 421 in McKee, Kentucky acknowledges an obligation to pay back billed charges on the electric account (Account # 2699304) at the afore noted location as a result of previously under billed charges caused by a defective current transformer used in the metering installation at this location; and

Whereas, as part of said contract, Flannery agrees to make payments for such back billed charges as a part of his future monthly bills for electric service; and

The parties hereby agree as follows:

Flannery shall pay to Jackson Energy Cooperative the total sum of \$4,779.94, which shall be paid in monthly payments of \$ 99.58 which shall be separately noted on subsequent electric billing statements until paid in full. Said payments shall be made at or mailed to Jackson Energy Cooperative at the address above and must be received coincidental with the due date of the monthly billing.

Flannery further agrees to pay any remaining unpaid balances due under this agreement as a lump sum should business operations at Mr. Bill's Gas & Grocery cease or if ownership changes to a third party.

Billy Flannery

Date: _____



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Mr. Bill's Gas & Groceries Backbill Calculations

Billing Period	Account	Charge Amt	Usage Amt	Backbill Usage Mult	Corrected Usage
Jun-13	2699304	\$503.43	4200	1.38	5,796
May-13	2699304	\$435.01	3520	1.38	4,858
Apr-13	2699304	\$440.77	3680	1.38	5,078
Mar-13	2699304	\$459.40	3640	1.38	5,023
Feb-13	2699304	\$533.23	4320	1.38	5,962
Jan-13	2699304	\$521.29	4240	1.38	5,851
Dec-12	2699304	\$477.50	3920	1.38	5,410
Nov-12	2699304	\$495.67	3920	1.38	5,410
Oct-12	2699304	\$494.33	4240	1.38	5,851
Sept-12	2699304	\$629.07	5480	1.38	7,562
Aug-12	2699304	\$664.74	5880	1.38	8,114
July-12	2699304	\$650.70	5760	1.38	7,949
June-12	2699304	\$585.23	5000	1.38	6,900
May-12	2699304	\$517.53	4360	1.38	6,017
Apr-12	2699304	\$502.65	4240	1.38	5,851
Mar-12	2699304	\$442.05	3600	1.38	4,968
Feb-12	2699304	\$498.66	3960	1.38	5,465
Jan-12	2699304	\$538.90	4400	1.38	6,072
Dec-11	2699304	\$506.65	4080	1.38	5,630
Nov-11	2699304	\$470.84	3840	1.38	5,299
Oct-11	2699304	\$503.18	4080	1.38	5,630
Sept-11	2699304	\$628.06	5200	1.38	7,176
Aug-11	2699304	\$559.01	5720	1.38	7,894
July-11	2699304	\$524.35	5320	1.38	7,342

\$12,582.25 106600 147,108

August 2013 Usage 8320 Usage Difference 40,508

August 2012 Usage 5880

August 2011 Usage 5720

August 2010 Usage 6520

Aug. 2010-2012 Combined 18120

August Average 6040

Backbill Usage Mult 1.38

Average Cost/ kWh \$12,582.25/106,600 kWh = \$0.118

Backbill Calculation 40,508 kWh x .118 = \$4,779.94

Monthly backbill over 24 months \$199.16

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LUTHAN ELECTRIC METER TESTING

ON-SITE TEST RESULTS

Account #: _____ AMI Removed: _____

Company Jackson Energy AMI Number: _____

Meter Number: 9146005 Manufacturer Number: 12689365

Meter Manufacturer: Schlumberger Meter Type: SV3SD Class: 20

Form: 5 Base: S Test Voltage: 240 Test Amps: 2.5 Disk Constant 1.2 Register Ratio _____

As Found KWH Reading: 09484 As Left KWH Reading: 09484 Demand Reading: .581

As Found Full Load: 99.98 As Left Full Load: 99.98 KWH Multiplier: 40

AFFL standard: _____ ALFL standard: _____

As Found Power Factor: 100.31 As Left Power Factor: 100.31

AFPF standard: _____ ALPF standard: _____

As Found Light Load: 100.20 As Left Light Load: 100.20

AFL standard: _____ ALL standard: _____

Current Transformer Ratio: 400 Potential Transformer Ratio: _____

	As Found	As Left		As Found	As Left
Actual A Phase CT Ratio:	<u>394.8</u>	_____	A Phase Burden:	Actual A Phase Voltage:	<u>249</u>

A CT serial #: _____	OK	A PT serial #: _____
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Actual B Phase CT Ratio: _____	B Phase Burden:	Actual B Phase Voltage: _____
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B CT serial #: _____	B PT serial #: _____
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Actual C Phase CT Ratio: <u>200.4</u>	C Phase Burden:	Actual C Phase Voltage: <u>219</u>
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C CT serial #: _____	OK	C PT serial #: _____
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CT Weighted Average: 100.6 Wiring Induced Loads: 0

Comments: C phase CT ratio 200

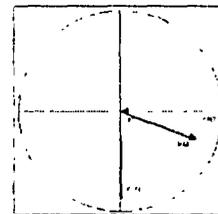
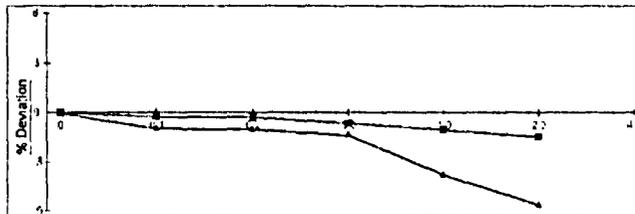
Test Date: 5/21/2009

Test Performed By: Isaiah King

LUTHAN ELECTRIC METER TESTING ON-SITE TEST RESULTS

Meter Number	9146005			Locator		
Site ID	05210989			Account No		
Customer	JEC			Account No		
Service Type	3-PHASE, 4-WIRE DELTA, PHASE C HIGH					
Test Date:	5/21/2009 7:27:11 AM		Test Tech #1:	Test Tech #2:		
Phase	Voltage	Phase Angle	Current	Absolute Phase Angle	Relative Phase Angle	Power Factor
A	249.054	359.990	1.443	20.380	-339.610	0.933
	0.000	0.000	0.000	0.000	0.000	0.000
C	219.095	89.460	0.005	180.020	90.560	1.000
N	0.000		0.003			
SYS	234.553		1.020			0.937

Phase	Watts	VA	VAR	Q	Voltage THD	Current THD
A	335.139	359.297	125.194	275.990	3.821	9.424
	0.000	0.000	0.000	0.000	0.000	0.000
C	0.000	0.000	0.000	0.000	3.687	187.317
SYS	335.139	357.759	125.194	275.990	3.754	98.370



Phase	0.0 Ω	0.1 Ω	0.25 Ω	0.5 Ω	1.0 Ω	2.0 Ω	4.0 Ω
A	1.459	1.456	1.455	1.450	1.444	1.438	NA
	0.000	0.000	0.000	0.000	0.000	0.000	NA
C	0.460	0.458	0.455	0.454	0.443	0.434	NA

CT Ratio Data

Phase	Ref	0.0 Ω	0.1 Ω	0.25 Ω	0.5 Ω	1.0 Ω	2.0 Ω	4.0 Ω
A	: 5	394.8	392.7	388.0	389.5	395.3	414.3	NA
	NA : 5	0.0	0.0	0.0	0.0	0.0	0.0	NA
C	: 5	200.4	201.1	201.8	203.6	207.0	212.0	NA

Data is primary side ratio.

CT Ratio Change Data (%)

Phase	Ref	0.0 Ω	0.1 Ω	0.25 Ω	0.5 Ω	1.0 Ω	2.0 Ω	4.0 Ω
A	: 5	0.000	-0.549	-1.719	-1.357	0.117	4.940	NA
	NA : 5	NA	NA	NA	NA	NA	NA	NA
C	: 5	0.000	0.332	0.682	1.604	3.303	5.759	NA

Data is percent change between burden step and measured ratio.

CT Phase Data

Phase	0.0 Ω	0.1 Ω	0.25 Ω	0.5 Ω	1.0 Ω	2.0 Ω	4.0 Ω
A	0.000	0.050	0.100	0.280	0.600	1.410	NA
	0.000	0.000	0.000	0.000	0.000	0.000	NA
C	0.000	0.160	0.450	1.340	2.080	3.140	

Data is phase shift in degrees from normal None



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WESTTAMU LU & TRAE ELECTRIC METER TESTING

Company	jackson energy	Test Date	6-28-13
Address		Test By	luke and trae
Name	mr bills gas and grocery		
Address	0		
Street		City, State	Zip Code

- Completed Site Test
- Incomplete Test
- Site Visit

Meter Information

Meter #	9146005	Form	5	Class	20	Standard	
Serial #	12689365	Base	s	Rr		Multiplier	40
Manufacturer	schlum	Volts	240	Kh	1.2	Test Reason	
Meter Type	sv3sd	Amps	2.5	Display Type	e	AMI #	

Additional Information

As Found Seal		Service Type	4wd oh	Transformer Type	
As Left Seal		Socket Type		KU ID	

Readings

	As Found	As Left
KWH Reading	11044	11044
KW Reading	.283	.283
PF Reading		
KV Reading		

Meter Test Results

Full Load	99.86	99.86
FL STD	.60083	
Power Factor	99.93	99.93
PF STD	.60045	
Light Load	99.97	99.97
LL STD	.60020	
KW ACC		

CT/PT Test Results

CT Ratio	400/200	:5	PT Ratio		:1		
As Found		As Left		As Found		As Left	
A Phase	400.6		A Volts	63.18			
A Burden	as rated		A Serial #				
A Serial #				B Volts			
B Phase			B Serial #				
B Burden			C Volts	212.4			
B Serial #				C Serial #			
C Phase	200.3		# of Induced Loads				
C Burden	as rated		Checked Wiring?	<input checked="" type="checkbox"/>			
C Serial #							
CT WA							

New Meter

Meter #		Form		Class		Kwh Reading	
Serial #		Base		Rr		Kw Reading	
Manufacturer		Volts		Kh		AMI #	
Meter Type		Amps					

Comments

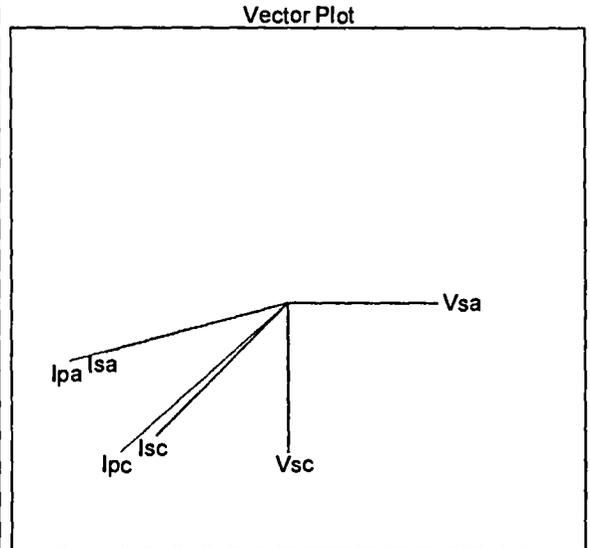
a phase turned down. had to use stick. b phase potential wire broken at top of post could not repair

System (Meter Circuit)

Jackson Energy

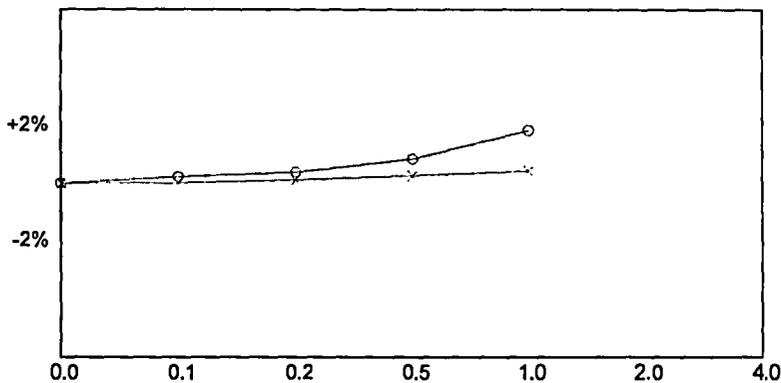
Location: JAC9146005 **Meter Type:** Form 5, 4 Wire Delta (2S-2IC)
Date: 6/28/2013 **Rotation:** CBA
Comment: **Screen:** Global Save

Phase Time	A 09:32:29	C 09:33:01	System
<u>General</u>			
Vs	63.14	212.5	
Is	1.560	0.4804	
Ip	124.9	19.25	
φ Vs-Is	164.8	44.4	
φ Ip-Is	359.9	356.5	
φ Vsan-Is	164.8	134.4	
φ Vsan-Ip	164.8	137.9	
Wire Verify	See Graph	Correct	
<u>Harmonics</u>			
THD Voltage%	2.5	1.0	
THD Current%	8.4	2.2	
<u>Power</u>			
kW	-0.094569	0.072277	-0.022293
kVAR	0.027444	0.072094	0.099538
kVA	0.098471	0.102086	0.102004
True PF	0.960 lg	0.708 lg	-0.219 lg
Disp PF	0.965 lg	0.716 lg	-0.221 lg



Ratio/Burden Summary

Ohm	Phase A \curvearrowright		Phase C \circ		System
	Ratio	%Change	Ratio	%Change	
0.0	400.56	0.0	200.32	0.0	
0.1	400.68	0.0	200.80	0.2	
0.2	401.08	0.1	201.12	0.4	
0.5	401.67	0.3	202.02	0.9	
1.0	402.35	0.4	204.01	1.8	
2.0					
4.0					
Ratio No Burden	400.56		200.32		
Rated Burden	1.0		1.0		
Burden Result	As Rated		As Rated		
% Accuracy	49.9		99.8		63.7%
Favors	Customer		Customer		Customer
Rated Ratio	200:5				



9146005

A phase ct turned down. had to use stick. B phase potential wire broken at top of pole. could not repair

40 6/28/13 Need to repair B phase potential wire

9146005

A phase ct turned down. had to use stick. B phase potential wire broken at top of pole. could not repair

40 6/28/13

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Account	Billing Period	Days Use	Usage	Meter #	Pres Rdg	Billing Mult	Rate Schedule
2699304	Jul-14	31	6,120	5097072	1892	40	20COM
2699304	Jun-14	30	5,520	5097072	1739	40	20COM
2699304	May-14	30	5,040	5097072	1601	40	20COM
2699304	Apr-14	31	4,960	5097072	1475	40	20COM
2699304	Mar-14	28	5,000	5097072	1351	40	20COM
2699304	Feb-14	31	6,840	5097072	1226	40	20COM
2699304	Jan-14	31	5,720	5097072	1055	40	20COM
2699304	Dec-13	30	5,080	5097072	912	40	20COM
2699304	Nov-13	31	5,680	5097072	785	40	20COM
2699304	Oct-13	30	6,680	5097072	643	40	20COM
2699304	Sep-13	31	7,800	5097072	476	40	20COM
2699304	Aug-13	31	8,320	5097072	281	40	20COM
2699304	Jul-13	5	1,080	5097072	73	40	20COM
2699304	Jul-13	25	3,920	9146005	17093	40	20COM
2699304	Jun-13	31	4,200	9146005	16995	40	20COM
2699304	May-13	30	3,520	9146005	16890	40	20COM
2699304	Apr-13	31	3,680	9146005	16802	40	20COM
2699304	Mar-13	28	3,640	9146005	16710	40	20COM
2699304	Feb-13	31	4,320	9146005	16619	40	20COM
2699304	Jan-13	31	4,240	9146005	16511	40	20COM
2699304	Dec-12	30	3,920	9146005	16405	40	20COM
2699304	Nov-12	31	3,920	9146005	16307	40	20COM
2699304	Oct-12	30	4,240	9146005	16209	40	20COM
2699304	Sep-12	31	5,480	9146005	16103	40	20COM
2699304	Aug-12	31	5,880	9146005	15966	40	20COM
2699304	Jul-12	30	5,760	9146005	15819	40	20COM
2699304	Jun-12	31	5,000	9146005	15675	40	20COM
2699304	May-12	30	4,360	9146005	15550	40	20COM
2699304	Apr-12	31	4,240	9146005	15441	40	20COM
2699304	Mar-12	29	3,600	9146005	15335	40	20COM
2699304	Feb-12	30	3,960	9146005	15245	40	20COM
2699304	Jan-12	32	4,400	9146005	15146	40	20COM
2699304	Dec-11	30	4,080	9146005	15036	40	20COM
2699304	Nov-11	31	3,840	9146005	14934	40	20COM
2699304	Oct-11	30	4,080	9146005	14838	40	20COM
2699304	Sep-11	31	5,200	9146005	14736	40	20COM
2699304	Aug-11	31	5,720	9146005	14606	40	20COM
2699304	Jul-11	30	5,320	9146005	14463	40	20COM
2699304	Jun-11	31	5,120	9146005	14330	40	20COM
2699304	May-11	30	4,360	9146005	14202	40	20COM
2699304	Apr-11	31	3,880	9146005	14093	40	20COM
2699304	Mar-11	28	3,280	9146005	13996	40	20COM
2699304	Feb-11	31	4,560	9146005	13914	40	20COM
2699304	Jan-11	31	5,200	9146005	13800	40	20COM
2699304	Dec-10	30	4,560	9146005	13670	40	20COM
2699304	Nov-10	31	4,080	9146005	13556	40	20COM

2699304	Oct-10	30	4,640	9146005	13454	40 20COM
2699304	Sep-10	31	5,680	9146005	13338	40 20COM
2699304	Aug-10	31	6,520	9146005	13196	40 20COM
2699304	Jul-10	30	6,280	9146005	13033	40 20COM
2699304	Jun-10	31	10,560	9146005	12876	40 20COM
2699304	May-10	30	9,040	9146005	12612	40 20COM
2699304	Apr-10	31	9,040	9146005	12386	40 20COM
2699304	Mar-10	28	9,960	9146005	12160	40 20COM
2699304	Feb-10	31	11,840	9146005	11911	40 20COM
2699304	Jan-10	31	11,560	9146005	11615	40 20COM
2699304	Dec-09	30	9,120	9146005	11326	40 20COM
2699304	Nov-09	31	9,400	9146005	11098	40 20COM
2699304	Oct-09	30	10,560	9146005	10863	40 20COM
2699304	Sep-09	31	11,840	9146005	10599	40 20COM
2699304	Aug-09	31	12,120	9146005	10303	40 20COM

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Billing Period	Billing Dt	Account	Prev Balance	Charge Amt	Payments	Balance After
Jul-14	7/18/2014 23:57	2699304	770.3	867.22	-770.3	867.22
Jun-14	6/19/2014 23:57	2699304	715.32	770.3	-715.32	770.3
May-14	5/19/2014 23:55	2699304	668.45	715.32	-668.45	715.32
Apr-14	4/18/2014 23:55	2699304	700.74	668.45	-700.74	668.45
Mar-14	3/19/2014 23:54	2699304	884.2	700.74	-884.2	700.74
Feb-14	2/19/2014 23:53	2699304	808.56	884.2	-808.56	884.2
Jan-14	1/20/2014 23:52	2699304	671.52	808.56	-671.52	808.56
Dec-13	12/19/2013 23:50	2699304	1,274.80	43.67	-646.95	671.52
Nov-13	11/19/2013 23:49	2699304	835.32	667.36	-825.36	677.32
Oct-13	10/18/2013 23:51	2699304	935.03	835.32	-935.03	835.32
Sep-13	9/19/2013 23:47	2699304	984.96	935.03	-984.96	935.03
Aug-13	8/20/2013 23:46	2699304	610.6	984.96	-610.6	984.96
Jul-13	7/18/2013 23:44	2699304	503.43	610.6	-503.43	610.6
Jun-13	6/19/2013 23:42	2699304	435.01	503.43	-435.01	503.43
May-13	5/20/2013 23:41	2699304	440.77	435.01	-440.77	435.01
Apr-13	4/19/2013 23:41	2699304	459.4	440.77	-459.4	440.77
Mar-13	3/19/2013 23:43	2699304	533.23	459.4	-533.23	459.4
Feb-13	2/19/2013 23:45	2699304	521.29	533.23	-521.29	533.23
Jan-13	1/18/2013 23:45	2699304	477.5	521.29	-477.5	521.29
Dec-12	12/18/2012 23:44	2699304	470.95	477.5	-470.95	477.5
Nov-12	11/19/2012 23:41	2699304	494.33	495.67	-519.05	470.95
Oct-12	10/18/2012 23:37	2699304	629.07	494.33	-629.07	494.33
Sep-12	9/20/2012 23:36	2699304	664.74	629.07	-664.74	629.07
Aug-12	8/20/2012 23:36	2699304	650.7	664.74	-650.7	664.74
Jul-12	7/19/2012 23:37	2699304	585.23	650.7	-585.23	650.7
Jun-12	6/19/2012 23:34	2699304	517.53	585.23	-517.53	585.23
May-12	5/19/2012 23:33	2699304	502.65	517.53	-502.65	517.53
Apr-12	4/19/2012 23:33	2699304	442.05	502.65	-442.05	502.65
Mar-12	3/20/2012 23:32	2699304	498.66	442.05	-498.66	442.05
Feb-12	2/17/2012 23:33	2699304	538.9	498.66	-538.9	498.66
Jan-12	1/19/2012 23:32	2699304	506.65	538.9	-506.65	538.9
Dec-11	12/19/2011 23:44	2699304	470.84	506.65	-470.84	506.65
Nov-11	11/17/2011 23:44	2699304	503.18	470.84	-503.18	470.84
Oct-11	10/19/2011 23:43	2699304	628.06	503.18	-628.06	503.18
Sep-11	9/20/2011 23:50	2699304	559.01	628.06	-559.01	628.06
Aug-11	8/19/2011 23:40	2699304	524.35	559.01	-524.35	559.01
Jul-11	7/20/2011 23:40	2699304	552.41	524.35	-552.41	524.35
Jun-11	6/20/2011 23:40	2699304	494.04	552.41	-494.04	552.41
May-11	5/19/2011 23:38	2699304	454.19	516.75	-476.9	494.04
Apr-11	4/19/2011 23:36	2699304	403.64	454.19	-403.64	454.19
Mar-11	3/18/2011 23:51	2699304	520.15	403.64	-520.15	403.64
Feb-11	2/18/2011 23:21	2699304	526.46	520.15	-526.46	520.15
Jan-11	1/19/2011 23:22	2699304	488.74	526.46	-488.74	526.46
Dec-10	12/17/2010 23:18	2699304	439.29	488.74	-439.29	488.74
Nov-10	11/18/2010 23:18	2699304	520.2	439.29	-520.2	439.29
Oct-10	10/19/2010 23:16	2699304	608.38	550.62	-638.8	520.2

Sep-10	9/17/2010 23:15	2699304	616.03	608.38	-616.03	608.38
Aug-10	8/18/2010 23:14	2699304	597.77	616.03	-597.77	616.03
Jul-10	7/20/2010 23:13	2699304	1,038.34	597.77	-1,038.34	597.77
Jun-10	6/18/2010 23:13	2699304	953.48	1,086.01	-1,001.15	1,038.34
May-10	5/19/2010 23:12	2699304	992.86	953.48	-992.86	953.48
Apr-10	4/19/2010 23:15	2699304	1,064.92	992.86	-1,064.92	992.86
Mar-10	3/18/2010 23:13	2699304	1,188.92	1,064.92	-1,188.92	1,064.92
Feb-10	2/19/2010 9:37	2699304	1,049.42	1,188.92	-1,049.42	1,188.92
Jan-10	1/20/2010 23:12	2699304	882.35	1,049.42	-882.35	1,049.42
Dec-09	12/18/2009 23:06	2699304	977.41	882.35	-977.41	882.35
Nov-09	11/18/2009 23:07	2699304	1,166.82	977.41	-1,166.82	977.41
Oct-09	10/19/2009 23:05	2699304	1,274.62	1,166.82	-1,274.62	1,166.82
Sep-09	9/18/2009 23:18	2699304	1,244.25	1,274.62	-1,244.25	1,274.62
Aug-09	8/19/2009 23:17	2699304	1,131.13	1,244.25	-1,131.13	1,244.25